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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
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RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHINGTON DC
RHMFIUU/CDR USSOUTHCOM MIAMI FL

UNCLAS SAN JOSE 000901

SENSITIVE
SIPDIS

DEPT FOR WHA/CEN, WHA/PPC, INL/LP, DS/TIA/OSAC, AND DS/IP/WHA

E.O. 12958: N/A

TAGS: [PREL](#) [PINR](#) [ASEC](#) [SNAR](#) [CONS](#) [CS](#)

SUBJECT: COSTA RICA: AMERICAN BUSINESS LEADERS ASSIST GOCR
WITH SECURITY ISSUES; TOUT QUEPOS AS FUTURE REFUELING SITE

¶1. (SBU) SUMMARY: From October 22-23, Poloff and RSO visited the Quepos/Manuel Antonio area, a busy tourist area located about three hours from San Jose on the central Pacific coast of Costa Rica, to discuss security issues with local U.S. investors and government officials. The RSO spoke with U.S.-affiliated business owners about establishing an Overseas Advisory Council (OSAC) sub-council in the area. We also visited (largely dilapidated) law enforcement facilities, and the construction site of a \$250 million, privately-funded, marina project. Local officials and business owners voiced concerns that the marina might attract narco-traffickers and increase prostitution in the area (which is already a well-known destination for sexual tourism.) Marina developers touted the facility as source of jobs and income, and a possible refueling point for USCG or USN vessels. Finally, we visited the local Costa Rican coast guard station and conducted INL-mandated end-use monitoring on donated counternarcotics equipment. This road trip highlighted the security challenges facing communities and tourist centers outside of the San Jose area, but also some creative solutions, such as informal, private sector-government partnerships to help the local security forces. END SUMMARY.

LOCAL HOTEL OWNER HIGHLIGHTS SECURITY PROBLEMS

¶2. (SBU) Harry Bodaan, the Amcit owner of the hotel La Mansion in Manuel Antonio, told us that he had witnessed a drastic increase in the level of violent crime and narco-trafficking over the last few years. He complained that it was difficult to find trustworthy law enforcement officials due to corruption and their (alleged) links to narco-traffickers. He hoped that this relationship could be changed by assisting with the physical improvement of local law enforcement stations and by providing new equipment.

¶3. (SBU) Bodaan has personally donated thousands of his own dollars towards the improvement of the local Fuerza Publica (regular uniformed police) barracks, though much of the building remains in poor condition. Bodaan and others have also attempted to donate equipment (helmets, bullets, vests) to local law enforcement agencies but, for liability reasons, have faced bureaucratic constraints in transferring the equipment to them. Finally, Bodaan coordinated (and helped finance) the purchase of a new police vehicle for the Fuerza Publica. (NOTE: The budget is such that there is no vehicle for the local Chief of Police; Bodaan often gives him a ride to work or to crime scenes or even lends him his personal vehicle. However, Bodaan relayed to us

that this has lead to allegations of corruption/favoritism and possibly the Chief of Police's surprising re-assignment to a lesser posting. END NOTE.)

MARINA PEZ VELA PROJECT

14. (U) Harold Lovelady, the Amcit main developer and major financier of the Marina Pez Vela project in Quepos, told us the marina was a \$250 million investment geared towards sportsfishing tourists. He said it should be partially open by May and fully operational in three years. Once in full operation, the marina will have 308 slips of varying sizes, and landside amenities to include stores, required government offices (such as immigration and customs), and limited housing. When the marina partially opens, 98 slips will be available for use. Lovelady estimates that the project will provide approximately 3,000 jobs to the local economy: 1,000 at the marina and an additional 2,000 in the surrounding area as a result of investment and services required to host the elevated level of tourists.

15. (SBU) When asked, Lovelady said it should be possible for Coast Guard (U.S. or Costa Rican) ships to refuel at the marina. He said that there would be refueling services for boats up to 200 feet in length, which could potentially service some USCG or USN vessels and all of the Costa Rican Coast Guard (SNGC). (NOTE: This could provide a secondary option to the refueling services offered at the Port of Golfito. END NOTE.)

16. (SBU) Lovelady recognized that this project could lead to increased crime. He plans to contract two private security companies to secure the marina. Lovelady told us he would be interested in coordinating with local law enforcement, including the SNGC, though his current outreach has not produced any firm commitments. He expressed interest in receiving security opinions from Post's ODR and DEA offices about this project due to his concern with the marina becoming a haven for narco-trafficking.

OSAC MEETING

17. (SBU) The RSO briefed a group of local American business owners on the possibility of setting up an OSAC sub-council in Quepos. Local Americans expressed interest in having a sub-council in Quepos but needed further discussion amongst themselves; we also suggested to Bodaan after the meeting that Quepos could simply become part of the San Jose council.

18. (SBU) The mayor of Quepos, Oscar Monge, also attended the OSAC meeting and told us that although tourism had brought a great deal of investment and development to Quepos, the deteriorating security situation could seriously damage the local economy. Monge underlined that one of his main duties was to protect all citizens in the Quepos area, not just Costa Ricans. He welcomed partnership with the U.S. to help reduce crime and requested our assistance with training and equipment. We briefed the mayor, in general terms, on the Merida Initiative and advised him to work with the GOCR leadership in San Jose to see if Quepos could benefit from that funding and security assistance.

19. (SBU) Monge relayed to us that he had recently dissolved the Quepos Municipal Police force (a separate law enforcement entity from the Fuerza Publica roughly equivalent to "city cops"), but would be rebuilding soon with "a fresh group of young men." The new group purportedly would have no links to former politicians or law enforcement agencies. Additionally, the mayor stressed that he did not want this group to be corrupted by narcotraffickers or other criminals because he had seen, first hand, the problems this can cause.

QUEPOS COAST GUARD STATION

¶10. (SBU) Taking advantage of our trip to the area, we visited the local SNGC station and conducted end-use monitoring of INL-donated equipment. The building that houses the SNGC station was constructed with INL funds in 2003 and is noticeably in better condition than other local law enforcement agencies' facilities. The barracks could easily house several more coast guard personnel (or for that matter other law enforcement such as Fuerza Publica) than the SNGC currently has assigned to this station.

¶11. (SBU) Also located at SNGC Quepos are six INL-donated Rigid Hull Inflatable Boats (RHIBs). However, these six boats have not been operational in some cases for four-five years due to maintenance problems and lack of properly trained crews. Some parts of the RHIBs, as authorized by INL, have been used to improve other vessels used in counternarcotics operations. Examples of these cannibalized parts include radios, GPSs, and radars. The SNGC has two operational boats in Quepos, including one with parts from the RHIBs. These two boats, though running, need to be painted to keep their hulls from rusting, but the SNGC lacks the capacity to remove the boats from the water easily, which has delayed this needed maintenance.

¶12. (SBU) The Quepos Coast Guard station has a staff of 30 men, although nearly half were unable to work at the time of our visit due to sickness and injury. The local commander, Rodolfo Coto, has requested additional staff from his parent organization, the Ministry of Public Security.

COMMENT

¶13. (SBU) Post is well aware of the security concerns expressed by local American businesspersons in the Quepos area and has encouraged them to work with local law enforcement to address rising levels of crime. However, we assess those local law enforcement agencies to be poorly equipped, undertrained and inadequately manned to effectively curb crime in the area. We expect this problem to only get worse as the new marina comes into operation over the next three years. While the minimal capability of the SNGC to conduct counternarcotics operations in the Quepos area is also alarming, even more distressing is their limited ability to perform "normal" search and rescue operations.

¶14. (SBU) For the Quepos economy, the marina represents both good and bad: more investment in the tourist industry, more jobs, and one of the few boatyards on the Pacific coast south of Mexico, but also more petty criminals and, perhaps, narcotraffickers. We are convinced that Bodaan and his Security Council will continue to work to improve the security environment in Quepos via donations, influence, and cooperation with law enforcement and the GOCR.

CIANCHETTE